

Chris Newmarker, *Minneapolis / St. Paul Business Journal*

A host of public officials gathered in St. Paul on Friday to highlight how \$3.3 million in government funds are helping to pay for \$8.5 million in expansion work and energy efficiency upgrades at J&J Distributing in the city's North End.

"With this initiative we are tapping into a variety of tools to help this company complete their project and in the process, creating jobs and becoming a model of energy efficiency," St. Paul Mayor Chris Coleman said in a news release. U.S. Sens. Al Franken and Amy Klobuchar and Rep. Betty McCollum were also at the event.

J&J Distributing transports wholesale vegetables and fruits to most of the grocery stores around the Twin Cities.

Public funds from a number of sources were cobbled together to make the project work:

- A \$1.3 million energy conservation loan from the St. Paul Port Authority's Trillion BTU Fund is paying for energy-efficient lighting and installation of three energy climate systems to replace 44 inefficient refrigeration units. The Port Authority funded its Trillion BTU initiative with \$5.5 million in economic stimulus funding from the U.S. Department of Energy and Minnesota Department of Commerce.
- The City of Saint Paul is providing an extra \$1.5 million, raised through Minnesota Jobs Bill Tax Increment Financing, for a 20,000-square-foot expansion that will include a room for cutting and packaging produce. J&J plans to add about 150 jobs as a result of the expansion.
- J&J will use \$500,000 in St. Paul Community Development Block Grant Recovery Act funds to build an on-site greenhouse, which is expected to produce 220,000 pounds of tomatoes and other produce annually.

The energy upgrade portion of the project is in the engineering phase and is scheduled to be completed in the spring of 2011. The 20,000-square-foot expansion will begin in October 2010. Construction of the greenhouse will begin in summer 2011.

St. Paul-based Harris Cos.'s Harris Service unit is the general contractor for the energy upgrades, and Cap Electric is providing electrical expertise.

J&J's board of directors still need to sign off on the expansion and greenhouse, according to a company spokesman. Contract bidding is still open for those two projects.